

Akobo Minerals reaches fundamental milestone on the way to gold production

Akobo Minerals (Euronext Oslo – “AKOBO”), the Scandinavian-based Ethiopian gold exploration and boutique mining company, today announced that it has reached an agreement with the South African company Solo Resources (Pty) Ltd for delivery of a processing plant for production of gold at the Segele Mine.

- Commissioning expected to start by end of first quarter 2023
- The plant will be tailored to process the highly gold rich Segele Mine ore with an Inferred and Indicated Mineral Resource Estimate of 69 kOz gold @22.7 grams per tonne
- The plant is designed to process 10 tons of mass per hour, with the possibility of upgrading to 20 tons of mass per hour
- Current dimensions will be able to process 4,000 ounces of gold per month
- With an all-in production cost of USD 243 per ounce this small boutique mining operation will be able to generate significant cash flow

Akobo Minerals has been engaged in targeted exploration for gold in Ethiopia for more than 10 years. After solid discoveries in Segele, the company has previously announced that it will produce the gold from this area on its own. Now the company confirms that mining will start and that it has signed an agreement with Solo Resources, which is one of the most experienced suppliers of processing plants in Africa. The company has more than 30 years of experience and has completed a total of 31 projects, of which 11 small and medium-sized gold processing plants in Africa.

Jørgen Evjen, CEO of Akobo Minerals, stated: *“We have consistently delivered on all the important milestones of recent years, but this is the most important so far. With this agreement, I am confident that we will be produce gold from the Segele mine for many years to come, and that with a solid cash flow.”*

Jørgen Evjen further states: *“The cooperation with Solo Resources has been excellent, and I look forward to starting the work with Craig and his team. They have the experience and capacity needed, and we share much of the same corporate philosophy. I am confident this will be a success for both parties”*

Craig Naude, CEO of Solo Resource Pty, stated: *“We are pleased to have been recognized and appointed as the partners for Akobo Minerals. The relationship with Akobo Minerals to date has been professional and cooperative, and we are confident the management of Akobo will deliver for their shareholders. We look forward to a mutually beneficial project.”*

Despite increased uncertainty in the global trade and supply chains, deliveries and commissioning will not be significantly delayed. Start-up is expected by the end of the first quarter of 2023, with efforts being made to get gold production started as early as possible.

The agreement concluded is a fixed-price contract that will provide good protection against continued uncertainty in the world economy. Entering into a fixed-price contract has in itself led to some cost increase in relation to the Scoping study. In addition, there are also other moderate cost increases due to higher prices for steel, fuel and other raw materials. Nevertheless, the company does not expect that the total investments associated with the start-up of the mining activities will be significantly higher than estimated in the Scoping study.

Other terms of the agreement are as follows

- Solo Resources will design the processing plant as well as order and ship all necessary parts to Ethiopia
- Akobo Minerals will be responsible for transport to Segele and the construction of local infrastructure
- Solo Resources personnel will be present at site to supervise installation and commissioning alongside Akobo Minerals consultants and processing plant staff
- Payments will be made in South African Rand
- Payment will be done in instalments over the period of design and procurement in line with the progress achieved

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About Solo Resources

Solo Resources (Pty) Ltd is a wholly owned South African company that acts as an agent for selected international companies as well as designs and supplies affordable turnkey type plants. Based in Johannesburg, Solo boasts of over 30 years of experience in the sales, design, installation, and commissioning of metallurgical processing equipment into a variety of applications. Solo's core competencies include project management, project engineering, process engineering, mechanical engineering, and a fully equipped drawing office. Solo has experience in many commodities and has been instrumental in a total of 31 plants.

About Akobo Minerals

Akobo Minerals is a Scandinavian-based gold exploration and boutique mining company, currently with ongoing exploration and mine development in the Gambela region and Dima Woreda, Ethiopia. The Company has established itself as the leading gold exploration company in Ethiopia through more than 12 years of on-the-ground activity.

Akobo Minerals holds a mining licence and is working to start up mining of its very promising Segele target. It has an Inferred Mineral Resource yielding a world-class gold grade of 22.7 grams per tonne, combined with an estimated all-in sustaining cost (AISC) of 243 USD per ounce. Still open to depth, the gold mineralised zone continues to expand and will have a positive impact on future resource estimates and mine-life. The exploration license holds numerous promising exploration resource-building prospects in the vicinity of Segele, in addition to the lower grade high volume area of Joru. These areas will continue to be explored.

Akobo Minerals has an excellent relationship with local communities all the way up to national authorities and it places environment, social and environment (ESG) at the heart of its activities

– as demonstrated by a planned ground-breaking community program.

Akobo Minerals has built a strong local foothold based upon the principles of good ethics, transparency, and communication, and is ready to take on new opportunities and ventures as they arise. Akobo Minerals is uniquely positioned to become a major player in the future development of the very promising Ethiopian mining industry.

Akobo Minerals has a clear strategy aimed at building a portfolio of gold resources through high-impact exploration and mining, while adhering to a lean business operation. The company is headquartered in Oslo and is listed on the Euronext Growth Oslo Exchange under the ticker symbol, AKOBO.

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